

ASSEMBLY, No. 2595

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:
Assemblyman WAYNE P. DEANGELO
District 14 (Mercer and Middlesex)

SYNOPSIS

Authorizes political subdivisions to require recipients of economic development incentives to enter into community benefits agreements.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning community benefits agreements and
2 supplementing Title 40A of the New Jersey Statutes.

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4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

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7 1. a. A political subdivision within this State may condition
8 the grant of any economic development subsidy which either alone
9 or in the aggregate is in excess of \$100,000 from that political
10 subdivision upon the grantee's promise to enter into a community
11 benefits agreement.

12 b. As used in this section:

13 "Community benefits agreement" means a legally binding
14 contract concerning a specific project required by ordinance,
15 resolution, or policy of a county, municipality, or other political
16 subdivision within this State, which agreement:

17 (1) requires contractors and developers of the project to make
18 specific contributions for the benefit of the community; and

19 (2) details the project's contributions to the community related
20 to:

21 (a) local hiring provisions,

22 (b) area wage and benefits standards consistent with State
23 statutes,

24 (c) the engagement of local businesses for the provision of
25 goods and services, or

26 (d) any other negotiated activity in exchange for the economic
27 development subsidy.

28 "Economic development subsidy" means the provision of an
29 amount of funds to a recipient business by or from a political
30 subdivision within the State for the purpose of stimulating
31 economic development in New Jersey, including, but not limited to,
32 any bond, grant, loan, loan guarantee, matching fund, tax credit, or
33 other tax expenditure. "Economic development subsidy" shall not
34 mean any contract under which a State public body purchases or
35 otherwise procures goods, services, or construction on an
36 unsubsidized basis, including any contract solely for the
37 construction or renovation of a facility owned by a State public
38 body.

39 "Tax expenditure" means the amount of foregone tax collections
40 due to any abatement, reduction, exemption, credit, or transfer
41 certificate against any State or local tax, including, but not limited
42 to: taxes on raw materials, inventories, or other assets; taxes on
43 gross receipts, income, or sales; and any use, excise, or utility tax.
44 "Tax expenditure" shall not mean: any credit against any tax
45 liability of an employee; any personal exemption, homestead rebate,
46 credit, or deduction for the expenses of a household or individual;
47 or other reduction of the tax liability of an individual or household.

1 2. This act shall take effect immediately.

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STATEMENT

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6 This bill authorizes any political subdivision within this State,
7 when entering into an economic development subsidy granting an
8 amount in excess of \$100,000 to a developer, to condition the grant
9 proceeds upon the grantee's promise to enter into a community
10 benefits agreement. The bill defines "community benefits
11 agreement" to mean a legally binding contract concerning a specific
12 project which requires contractors and developers of the project to
13 make specific contributions for the benefit of the community
14 including, but not limited to, provisions related to local hiring, area
15 wage and benefits standards, or engaging local businesses for the
16 provision of goods and services.